

App. F. IX-4

Previous References

1939.
(1939.)
Legis

File No. 37-39
Serial Nos. 17

Later References.

PRESERVED

(34)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One and

Part B for June 1940.

SUBJECT.

Exemptions of Insurance Companies
under the Money Lenders Act.

No. P. 8046 of 29.6.40 to The Compiler, Mysore Gazette.
Notifies the Exemption for publication.

WD 0573-GPB-22,500-12-9-89

Bis Shankar
23.7.40.

Exemptions of Insurance Companies under the
Moneylenders Act.

File No.

of 194

[App. F. III-2]

Serial
No.

From

The Branch Secretary, Oriental Assurance Co. Bangalore

Letter d 24 April 1940

requesting that life Assurance Companies doing business in
Mysore may be exempted from the Moneylenders Act.

A similar request has been received from the Indian Life Assurance Offices Association Bombay and a specific request for exemption from the New India Assurance Co. Bombay. The Registrar of Joint Stock Companies and Superintendent of Insurance in Mysore was thereupon addressed in the matter. He wrote to say^x that the time given to the Insurance Companies to get themselves registered in Mysore had been extended up to the end of March 1940 and that he would intimate to Government the Companies that had got registered in Mysore by the middle of this month, on the basis of which exemptions could be considered. The letter has not yet been received. If approved, the letter will be awaited before considering the question of exempting Insurance Companies under the Moneylenders Act. A soft reminder is also sent up.

One
13/5/40.MAY
13/6-

Saw Seeg)

A reminder may be issued. The opinion of the Registrar may be asked for on applications received from the Insurance Companies as was done in the case of Banks.

7876
13/5-Hm
2
14/5-
MAY
14/5-

✓

7049
7461 764

Exemptions of Insurance Companies under the Companies Act

File No. _____ of 194 _____ General and Revenue Secretariat.

Serial No.

revised
The draft put up with if approved issue. ~~Later~~ So far
only one Company, the New India Insurance Co. Bombay
has requested for exemption. ~~As per the letter~~
~~in the letter to the Company~~ Specific mention is
made of this Company in the letter. A draft reply to the
Company is also put up for approval.
17/5/40
MAY 20/5

As Secretary

3
17/5/40
MAY 20/5

7485
20/5

Hym
22/5/40

Serial P 7501 Dated 24.5.40 to 14

MAY 22/5

General Manager, New India Assurance Co. Bombay

Serial P 7502 Dated 24.5.40 to 14 Department of

Joint Stock Companies, Bangalore.

From

The Regt of Joint Stock Companies

do no 1287 of 39-40 dated 20 May 1940

Send a list of Insurance Companies registered under
the Insurance Act, 1939

The only insurance Company that has so far
applied for exemption is the New India Assurance Co.
But from the letter under reference that Company has
not yet registered under the Insurance Act.
A letter to the Registrar about this Company has already
been issued. The reply to this letter, if approved, is
awaited.

One 30.5.40

yes
MAY 30/5

7641
P

3

EXEMPTIONS OF INSURANCE COMPANIES UNDER THE MONEYLENDERS ACT.

General and Revenue
Secretariat

File No.

of 194

[App. F. III-2

Serial
No.

From

The Registrar of Joint Stock Companies

Mysc 43/40-41 Dated 5th June 1940

State that the Registration of the New India Insurance Co under the Mysore Insurance Act is not yet completed.

A list of insurance companies registered under the Mysore Insurance Act has already been sent by the Registrar and it is stated that the New India Insurance Company has yet completed its registration. That is the only Company that has so far applied for exemption from the provisions of the Moneylenders Act.

It is for orders whether it is expedient or desirable to exempt insurance companies that have not been registered under our Insurance Act.

If approved, the Company will be intimated that its request for exemption under the Moneylenders Act will be considered only after its registration under the Insurance Act is completed. Submitted with a draft.

One
11.6.40.

For approval

MWV

13/6

Law Secy)

It may not be desirable to exempt foreign Insurance Companies that have not been registered under the Mysore Insurance Act.

The Insurance Companies registered under our Act may perhaps not know that they

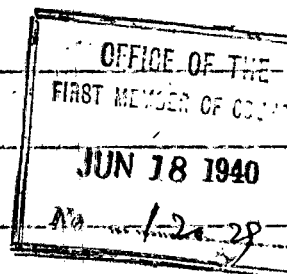
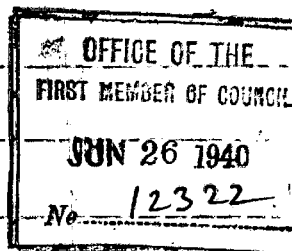
File No.

of 194

General and Revenue
Secretariat.

Serial
No.

have to apply for exemption as they seem
to be under the impression that ^{there} is a general
exemption of all insurance companies as can
be gathered from the letter of the Oriental Govt
Life Insurance Co, ^{and that} which seems to be the law
in some parts of the British India. The Oriental
Life Insurance may be given an endorsement
to their letter of 24th April 40 ^{mentioning} the above
facts.



From the letter of 24th April 40
insurance Co. No. 19.0.40 paying for
exemption.

I-Member)

Hm

Please put up copy of the Act

13/6/40

or Notification granting exemption in Bengal

JMW 14/6

Prakash & Behera -

M

19/6/40

Hm

19/6/40

JMW 19/6

Draft notification for consideration

I-Member)

Hm

26/6/40

M

27/6/40

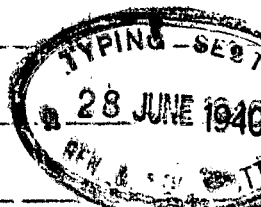
Hm

27/6

JMW 27/6

Mr. J. K. S. S. S.

Serial 15046 - Deps 37-39 - 17 dated 29 & June 1946



Exempting insurance Companies and other insurance

Exemption of Insurance Companies from Insurance Act

General and Revenue
Secretariat

File No.

of 194

[App. F. III-2]

Serial
No.

Domestic memo nos P115-19 dated 4th July 1940 to
the Insurance Companies not have written for
exemption, forwarding copies of notification.

The notification has appeared in the
Gazette of the 4th July 1940 III-I p 702.

From

The Reliance Insurance Co. Ltd. Bangalore

letter dated 14th June 1940

requesting for exemption under the Insurance Act.

All insurance Companies registered under the Insurance
Act have been exempted. A copy of the
notification will be sent to the Company in reply to their
letter.

On
5/7/40. Domestic memo P115-19 dated 5th July 1940 to

16 Reliance Insurance Co. Bangalore

B
10

Life Department.

Please address
all communications to
the General Manager



6487239
Telephone: 30047 (3 Lines)
Telegraphic Address
"NIASURANCE"
A. B. C. 6th Edition
Bentley's



NEW INDIA

Assurance Company Limited (of Bombay, India)

P.O. BOX 969.

When replying please quote number
of policy or proposal

Bombay 28th March 1940.



The Secretary to Mysore Government,
Revenue & Commerce Department,
Bangalore.

3/11/41
Dear Sir,

Subject: Exemption from the operation of the
Mysore Money-Lenders Act, 1939.

We beg to invite your attention to our letter dated the 12th
instant and request you to kindly grant us the exemption for which we
have prayed.

We have the honour to be

Dear Sir,

Your most obedient servants,
For & on behalf of the New India Assce. Co. Ltd.

W. M. Hand
General Manager.

AD/B.

2

DRAFT

To

The Registrar of Joint Stock Companies
in Mysore, Bangalore.

Sir,

Exemption under the Mysore Moneylenders
Act, 1939.

CHIEF
1. APR. 1
GOVT. OF MYSO

I am directed to invite reference to
your D.O. letter No.C.1287/39-40 dated
29th March 1940 on the above subject and
state that requests have been received
from some Insurance Companies carrying on
business in Mysore for exemption from the
provisions of the Mysore Moneylenders Act.
I am therefore to request that, as promised
in your letter under reference, a list of
insurance companies registered under the
Mysore Insurance Act may be kindly sent
to this office very early together with a
your opinion as to which of them may be
exempted from the provisions of the Money-
lenders Act (excepting the interest pro-
visions).

25

I have etc.,

Secretary to Government
Law Department.

7049139

3
TELEPHONE NO. 101.
POST BOX NO. 56.
APR 1940
SECURITY
LTD.
URGENT

DEC 10 1940
RECEIVED
COMMUNICATIONS SECTION

URGENT



BOMBAY.

**BRANCH OFFICE FOR
MYSORE STATE AND COORG,
ORIENTAL BUILDINGS,
SOUTH PARADE**

BANGALORE, 24th April 1954.

From The Branch Secretary,
Oriental Govt. Security Life Assurance Co., Ltd.,
South Parade, Bangalore.

To The Secretary to Government
Law Department,
General & Revenue Secretariat, Bangalore.

Sir,

Re: Money Lenders Act.

I have the honour to enclose herewith a copy of our letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore and shall thank you to kindly take steps to see that Life Assurance Companies operating in Mysore are also eligible for exclusion from the application of the Mysore Money Lenders Act.

I have the honour to be
Sir,
Your most obedient servant,

Обуча

Branch Secretary.

SD/SKR
Encl.

4

CENTRAL GOVERNMENT SECURITY
LIFE ASSURANCE CO., LTD.

IT
BRANCH
NO. 0

24th April 1940.

The Registrar of Joint Stock Companies in Mysore,
Bangalore.

Dear Sir,

Re: Money Lenders Act.

We shall thank you to kindly let us know at your --
earliest convenience if the Mysore Money Lenders Act 1939 is
applicable to Loans within Surrender Values advanced by Life
Assurance Companies. The Government of His Highness the Maharajah
of Mysore are possibly aware that similar enactments in Bengal,
Punjab and Behar specifically excluded the Life Assurance Companies
and we take it that Life Assurance Companies operating in Mysore
are also eligible for similar exclusion from the application of
the Mysore Act and for your information I send enclosed an extract
from an article on this subject which appeared in the "Insurance
Herald" of Calcutta dated 2-3-1940.

Yours faithfully,

Sd/- N.S. Nalkian

Branch Secretary.

SD/SKR
Copy to the Secretary, Law Dept.

Life Department.

Please address
all communications to
the General Manager

TELE.
"ORIEN"



7480/23
Telephone: 30047 (3 Lines)
Telegraphic Address
"NIASURANCE"
A. B. C. 6th Edition
Bentley's

NEW INDIA

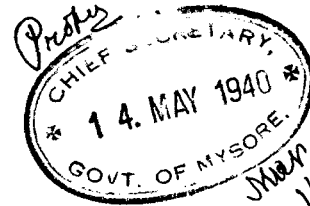
Assurance Company Limited (of Bombay, India)

P.O. BOX 969.

When replying please quote number
of policy or proposal

Bombay 10th May 1940.

The Secretary to Mysore Government
Revenue & Commerce Dept.,
BANGALORE.



Dear Sir,

Subject: Exemption from the operation
of the Mysore Moneylenders
Act 1939.

We beg to invite your attention to our letter dated
the 12th March 1940 and request you to kindly grant us the
exemption for which we have prayed.

We have the honour to be,
Dear Sir,
Your most obedient Servants,

For and on behalf of The New India
Assurance Company Limited,

W. Millard

GENERAL MANAGER.

AD.S.
[Signature]

10th May 1940.

The Secretary to Mysore Government
Revenue & Commerce Dept.,
BANGALORE.

Dear Sir,

Subject: Exemption from the operation
of the Mysore Moneylenders
Act 1939.

We beg to invite your attention to our letter dated
the 12th March 1940 and request you to kindly grant us the
exemption for which we have prayed.

We have the honour to be,

Dear Sir,
Your most obedient Servants,

For and on behalf of The New India
Assurance Company Limited,

GENERAL MANAGER.

A.D.S.

~~Mrs.~~ M. Venkatesa Iyengar, M.A.,

Member of Joint Stock Companies
and other Firms in Mysore.

No. 1287/35-40

264/239 6
NEW PUBLIC OFFICES,

Dated Bangalore, the 20th May 1940.

Dear Sir,

22/5
22/5
With reference to the last para of My D.O. letter No.C.
1287/39-40, dated the 30th March 1940, regarding the exemption

-
1. Reliance Assurance Company, Limited.
 2. Asiatic Government Security Life Assurance Company, Limited.
 3. Mysore Insurance Company, Limited.
 4. Oriental Government Security Life Assurance Company, Limited.
 5. Empire of India Life Insurance Co.Ltd.
 6. General Assurance Co., Ltd., (Ajmere).
 7. Bangalore Provident Insurance Corporation, Limited.
 8. Mysore Provident Insurance Co., Ltd.
-

of certain Banks etc.
under the Money
Lenders Act of 1939,
I note on the -
margin a list of
Insurance Companies
registered so far
under the Insurance
Act of 1939.

Yours sincerely,

M. Venkatesa Iyengar

H.V. Narayana Rao, Esq., B.A., LL.B.,
Secretary to Government,
Law Department, BANGALORE.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat

Regist

D. O.

No. P7501.

Dated, Bangalore, 23rd May 1940.

24/5

From

H
The Chief Secretary to the Government of His Highness
xxx the Maharaja of Mysore.

To

Law Department.

The General Manager,

New India Assurance Company, Ltd.,

Post Box 969, BOMBAY.

Sir,

EXEMPTION FROM THE OPERATION OF THE MYSORE MONEYLENDERS
ACT 1939.

I am directed to acknowledge the receipt of your letter of the 12th March, 1940 and subsequent reminders thereto on the above subject and to state that the matter is receiving the consideration of Government and a final reply will be sent to you in due course

I have the honor to be,

Sir,

Your most obedient servant,

NEW 24/5
For Secretary to Government
in Law Department.

cn-2

No. P7501 of 24/5/40. 8

DRAFT

The General Manager,

New India Assurance Company, Ltd.,

P.O.Box 969

BOMBAY

Sir,

Exemption from the operation of the
Mysore Moneylenders Act, 1939.

I am directed~~x~~ to acknowledge the
receipt of your letter of the 12th March,
1940 and subsequent reminders thereto on
the above subject and to state that the
matter is receiving the consideration of
Government and a final reply will be sent
to you in due course.

I have etc.,

for
20/5

Secretary to Government,
Law Department.

9

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P7502

Dated, Bangalore. 23rd May 1940.

24/5

From

*The ~~Chief~~ Secretary to the Government of His Highness
the Maharaja of Mysore.
Law Department.*

To

The Registrar of Joint Stock Companies
in Mysore, Bangalore.

Sir,

Exemptions under the Mysore Moneylenders Act, 1939.

I am directed to invite reference to your D.O. letter No. G.1287/39-40 dated 29th March 1940 on the above subject and to state that requests have been made for exempting Insurance Companies carrying on business in Mysore from the provisions of the Mysore Moneylenders Act, 1939. I am therefore to request that, as promised in your letter under reference, a list of insurance companies registered under the Mysore Insurance Act may be kindly sent to this office very early

The New India Assurance Company, Bombay has asked for exemption and I am therefore to enquire whether you consider that the said Company may be exempted from the provisions of the Act (excepting in regard to the interest provisions).

I have the honor to be,

Sir,

Your most obedient servant,

MWS 24/5

For Secretary to Government
Law Department.

No. P 7502 8.26.5-40. /0

DRAFT

To

The Registrar of Joint Stock Companies
in Mysore, BANGALORE

Sir,

Exemptions under the Mysore Moneylenders
Act, 1939.

I am directed to invite reference to your D.O. letter No.C.1287/39-40 dated 29th March 1940 on the above subject and to state that requests have been made for exempting Insurance Companies carrying on business in Mysore from the provisions of the Mysore Moneylenders Act, 1939. I am therefore to request that, as promised in your letter under reference, a list of insurance companies registered under the Mysore Insurance Act may be kindly sent to this office very early.

The New India Assurance Company, Bombay has asked for exemption and I am therefore to you consider that, ~~the~~ ^{the} enquire whether/ ~~the~~ Company may be exempted from the provisions of the Act (excepting in regard to the interest provisions).

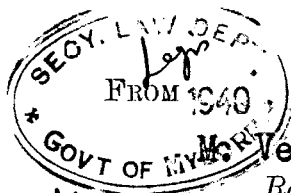
I have etc.,

3
Hm
22/5
Secretary to Government
Law Department.

No. *hmicu3*
Encl. *6041*

SUPERINTENDENT OF INSURANCE & //
OFFICE OF THE/REGISTRAR OF JOINT STOCK
COMPANIES IN MYSORE,

Bangalore, dated.....5th.....June.....1940.



Hm
7/6
To *7/6*
Mr. Venkatesa Iyengar, Esquire, M.A.,
Registrar of Joint Stock Companies in Mysore,
BANGALORE.

H.V. Narayana Rao, Esquire, B.A., LL.B.,
Secretary to the Government
of His Highness the Maharaja of Mysore,
Law Department,
BANGALORE.

SIR,

With reference to your letter No.P.7502, dated the 23rd/24th May 1940, regarding the exemptions under the Mysore Money Lenders Act, 1939, I have the honor to state that a list of Insurance Companies registered under the Mysore Insurance Act has been sent with this office D.O. letter No.1287/39-40, dated the 21st May 1940 and also with this office letter No. Mis.29/40-41, dated the 30th May 1940.

2. The registration of the New India Insurance Company, Bombay, has not been completed as all the documents prescribed under the Act have not been received from the Company.

I have the honor to be,

S i r,

Your most obedient servant,

M. Venkatesa Iyengar

GG.

REGISTRAR & SUPERINTENDENT.

7/6

DRAFT.

The General Manager,
New India Assurance Company Ltd.,
Post Box No.969, BOMBAY.

Sir,

Exemption from the operation of the Mysore
Moneylenders Act, 1939.

I am directed to invite reference to
correspondence on the above subject ending
with this office letter, No.P.7501 dated
the 24th May 1940 and to state that your
request for exemption under the Moneylenders
Act will be considered after the registration
of your company under the Mysore Insurance Act
is completed. The request may be renewed after
registration.

I have etc.,

Secretary to Government
Law Law Department.

Please Quote
POLICY No.



8125/235
P

Telegram :
Telephone: 21

Reliance Assurance Co., Ltd.,

OFFERS INSURANCE SCHEMES SUITABLE TO ONE AND ALL

11, KEMPE GOWDA ROAD

BANGALORE

CITY

14th June 1940.

7598.

16/6
18/6

The Law Secretary,

Government of Mysore,

Bangalore City.

Dear Sir,

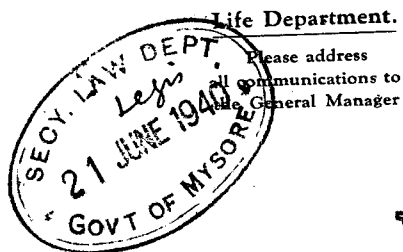
Ours is a Joint Stock Company incorporated under the Mysore Companies Regulation 1917 and is doing Life Insurance business. It has also been registered now under the Mysore Insurance Act 1939. Under terms of Life Insurance policies, certain percentage of the surrender value is being advanced as loan in order to help the parties to continue payment of their premiums, etc. without allowing them to lapse. Such loans are also subjected to be adjusted automatically whenever further premiums are not paid. The whole business is regulated under the provisions of the Insurance Act. We therefore request you to recommend to the Government that our company may be exempted from the Mysore Money -- Lenders Act.

Yours faithfully,

The Reliance Assurance Co., Ltd.

[Signature]
Managing Agents.

SV.



Life Department.

Please address
communications to
the General Manager



Telephone: 30047 (3 Lines)
Telegraphic Address
"NIASURANCE"
A. B. C. 6th Edition
Bentley's



NEW INDIA

Assurance Company Limited (of Bombay, India)

P.O. BOX 969.

Bombay 19th June 1940.

When replying please quote number
of policy or proposal

The Secretary to the Govt. of
His Highness the
Maharaja of Mysore,
Law Deptt.,
BANGALORE.

Dear Sir,

Re: Exemption from the operation of the Mysore
Moneylenders Act, 1939.

We beg to invite your attention to your letter No.P
7501 of the 23/24th ultimo and request favourable con-
sideration of the request made by us in our letter of the
12th March last, for granting our Company exemption from
the operation of the Mysore Moneylenders Act, 1939.

Yours faithfully,

M. A. D. G. S.
LIFE MANAGER.

M. A. D. G. S.

8766839 15
✓

Empire of India Life Assurance Company, Ltd.

Established 1897.

Telegraphic Address:
"EMPIRE", BOMBAY.



HEAD OFFICE.

Telephone No 21177.

EMPIRE OF INDIA LIFE BUILDING,
HORNBY ROAD.

BOMBAY 19th June 1940.

W In all communications
V please quote No. of Policy.

4/6 Registered A/D.
MW 25/6

The Secretary to the Government of His Highness the Maharaja of Mysore,
Law Department, Old Public Offices,
Bangalore.

Sir,

Mysore Moneylenders' Act XIII of 1939.

We have the honour to request that the Empire of India Life Assurance Company Limited, a Company incorporated in Bombay as a Public Company in the year 1896 under the Indian Companies Act 1882 and also registered under Section 3 of the (Mysore) Insurance Act XXII of 1939, be granted exemption from the operation of the Mysore Moneylenders' Act XIII of 1939.

In submitting this application for exemption we would mention that some doubt exists as to whether a Life Assurance Company is a Moneylender under the definition of the above Act, because it may be considered that the business of moneylending should mean fundamentally the business of lending to all and sundry and not the granting of loans by a Life Assurance Company to a clientele which is strictly confined to its own Policyholders. It is in the event of the Government of His Highness the Maharaja of Mysore being of the opinion that the provisions of the above Act are sufficiently comprehensive to embrace the granting of loans by Life Assurance Companies to their own Policyholders that consideration is requested

Empire of India Life Assurance Company, Ltd.

Established 1897.

Telegraphic Address:
"EMPIRE", BOMBAY.

HEAD OFFICE,

Telephone No 21177.

EMPIRE OF INDIA LIFE BUILDING,
HORNBY ROAD,

*In all communications
please quote No. of Policy.*

BOMBAY 19th June 1940.

- 2 -

to be given to this application for exemption.

It is presumed from the Statement of Objects and Reasons that this Act has been passed "in order to protect ignorant debtors against fraud and extortion" and to control "the business of moneylending which as carried on by certain classes of moneylenders is defective." We hardly think that it is the intention of Government to regulate loan transactions by Life Assurance Companies charging reasonable rates of interest. Such transactions afford facilities to policyholders to borrow money on easy terms which obviate recourse to the usual type of moneylender and the large amount advanced by this Company to Policyholders on the security of its policies, as will be seen from the attached Balance Sheet, is evidence that the terms of such transactions are not considered onerous by the borrower or detrimental to his interests. It will of course be appreciated that the amount of approximately Rs.68 lacs shown as loans on the Company's policies relates to the total loans advanced by the Company and includes such loans advanced to Policyholders in Mysore State.

In conclusion we would emphasise that in many cases the granting of a loan provides the means for payment of past or future premiums and thereby enables the individual to maintain his policy in force for the full amount. The protection that a Life Assurance Policy affords is very real and the facility of obtaining loans from the Company on such policies in times of need or financial stringency is

Empire of India Life Assurance Company, Ltd.

Established 1897.

Telegraphic Address:
"EMPIRE," BOMBAY.

HEAD OFFICE,

Telephone No 21177.

EMPIRE OF INDIA LIFE BUILDING,
HORNBY ROAD,

*In all communications
please quote No. of Policy.*

BOMBAY 19th June 1940.

- 3 -

to the assistance and benefit of the individual. Transactions of such a nature whereby the borrower obtains relief and assistance are surely on a different footing from actual moneylending transactions made with a view to profit the lender alone for while the latter may, in many cases, be oppressive ones, the former are ameliorative in character. We consider that a great distinction exists between loans granted by Life Assurance Companies and those by professional moneylenders, and we trust that this differentiation will receive your due consideration in respect of our application for exemption.

We have the honour to be,
Sir,
Your obedient servants,


Manager.


Chairman.


Enc. 1

Mysore.
RV.

Empire of India Life Assurance Co., Ltd.

HEAD OFFICE: BOMBAY.

The forty-third Annual General Meeting of Shareholders was held on 6th May 1940, Mr. E. B. Ghaswala presiding.

In moving the adoption of the Report, the Chairman said :—

Before dealing with the business of this Meeting I wish to refer to the deep feeling of sorrow and loss we experienced last September by the death of our late Chairman Mr. Rustam K. R. Cama. Mr. Cama had been connected with the Company almost from its commencement. He had been a Director for over 38 years and Chairman for nearly 19 years. His wide knowledge of Law and of affairs generally and sound judgment were of the greatest benefit to the Company. His passing severs a link in the life of the Company and we all mourn the loss of a sincere friend and a valued colleague. I would ask you to rise and stand for a moment as a tribute to his memory.

The Report and Accounts have been in your hands for some days and with your consent I propose to take them as read.

The Accounts are presented this year in a somewhat different form and are in the form prescribed by the Insurance Act. It has always been our practice to present our Accounts in a complete and detailed manner and the chief changes are in the separation of income and expenditure in connection with the Company's business within and out of India.

Before proposing the adoption of the Report, I would like in accordance with our usual custom to give a brief and general review of the year's operations. The year has been, as you well know, a period of international anxiety culminating at the beginning of September in the present war. New business until the end of August was good and above the average but with the outbreak of war there was a considerable falling off and it was only in the last month of the year that it appreciably revived.

NEW BUSINESS RESULTS.

Notwithstanding the adverse factor to which I have just alluded 9,274 Policies were issued for the substantial amount of Rs. 1,57,65,000 Sum Assured. A very satisfactory feature in connection with the new business was that the average sum assured per policy was for a considerably larger amount than has been the case in recent years and at Rs. 1,700 was Rs. 116 more than in the previous year.

Claims by death amounting to Rs. 12,50,000 arose. Endowment Assurance Policies which matured and were paid during the life-time of the assured amounted to Rs. 30,81,000. It is a matter of satisfaction to us that so many policyholders have lived to receive the proceeds and have thus reaped the fruits of their thrift and foresight.

Expenses of Management were 16.6 per cent. of the Premium Income : if Commission to Insurance Agents were included the ratio would be 23 per cent., thus showing an appreciable reduction on that of the previous year. Every care and attention is given to this outlay and it has always been our policy to ensure that our affairs are conducted with a due regard to economy while maintaining at the same time the high standard of efficiency for which this Company is so well-known.

STRONG FINANCIAL POSITION.

The Balance Sheet reveals as usual a very strong position. The Life Insurance Fund has increased by Rs. 23,54,000 and with the Reserve Funds now amounts to Rs. 5,20,44,000. The Total Assets are Rs. 5,42,03,000. All our investments are in gilt-edged securities of the highest class and moreover are redeemable at par at fixed dates.

There was a general fall in security values during the year and under present abnormal conditions the outlook for all securities must continue uncertain, but the distinctive character of the securities the Company holds and the large provision for a fall in prices made enable us to regard the future with full confidence. The excess of both Market and Redemption Values over the values at which the securities stand in our Books continues to be very substantial and the Certificate appended to the Balance Sheet therefore gives a very conservative view of the Company's resources. An indication of the above excess is revealed by the fact that on 31st December 1939, irrespective of the Investment Reserve Fund, the difference between the Market Values of our Securities and the values at which they stood in our Books exceeded Rs. 83,00,000. Such a margin, augmented by the Investment Reserve Fund of Rs. 28,00,000, not only constitutes a very substantial buffer against future depreciation in capital values but also shows the inherent strength of the Company's financial position and the success of its investment policy. It is a canon of sound finance to preserve such reserves under current conditions. A further feature of our Balance Sheet which deserves attention is that while the Insurance Act only requires a certain proportion of the Company's Assets to be invested in Government and Approved Securities, all our Stock Exchange Investments, with the exception of a small holding in Ceylon Government Stock, are in such Securities and these Securities form the great bulk of the Company's Assets. The Company is now in its forty-fourth year and has attained a financial position which, as far as can be judged from published figures, is not excelled by that of any Indian Company.

THE SECURITY OF A LIFE POLICY.

The need for Life Assurance can never have been greater than at the present time. The fluctuations in values to which I have referred and to which all securities are liable are an additional reason for relying on a Life Assurance Policy as a means of providing for the future. It is the only way by which a capital sum can be secured from the moment of payment of the first premium and for this reason alone has a marked advantage over any other form of investment. The more this truth is recognised the stronger should insurance appeal to the average man. This Company provides Life Assurance on the latest and most approved principles. Its low rates of premium should be specially mentioned for though they are proverbially low they have stood the test of time.

You will have seen from the Report that much to our regret Mr. F. E. Francis has resigned from the Board on his retirement from India. We extend to him our thanks for his valuable help and good counsel while he was with us and our best wishes in his retirement. Mr. Haridas Gopaldas and Sir Hormazdyar Dastur have been appointed to the Board since our last Meeting. To these gentlemen we offer a hearty welcome confident that their wide experience and influence will be of great value to the Company. We regret that owing to the war Mr. E. F. Allum was unable to keep to his intention of returning to India. We hope he may be able to repeat his customary visits and so give us the opportunity of welcoming him back to Bombay where he has spent so many years.

The Directors have been pleased to appoint me Chairman and needless to say I shall do my best to maintain the traditions of the office remembering as I do that the Chairman in the early years of the Company was our illustrious fellow countryman Sir Phirozshah Mehta. I desire to thank my colleagues for their continuous and always helpful support and I also desire to convey the thanks of the Board and I am sure I may add that of the Shareholders to all who have worked for the Company. It is only by the untiring energy and constant attention given to our interests by the Officers and Staffs at the Head and Branch Offices and by our chief and other Agents that we are able to place such a favourable review of the year's operations before you. Life Assurance business to-day is not without its difficulties and places a great deal of responsibility on the Management. We are glad to add our tribute to the care with which the business is conducted.

In conclusion I wish to emphasise that our Balance Sheet shows our affairs to be on a very sound and solid foundation. Although the conflict in Europe has a disturbing effect on business generally our financial structure has been so strongly built up that Shareholders and Policyholders alike can with every confidence recommend their friends to insure with the "Empire of India."

The Report and Accounts were unanimously adopted and the usual formal business transacted.

Outstanding Liabilities of the Life Insurance Business as per separate Balance Sheet ..	5,20,44,953	11	9	
	13,11,865	10	2	5,33,56,819 5 11
				Rs. 5,42,03,552 8 11

Cash at Bankers on Current Account and in hand ..	33,509	3	0	
Assets of the Life Insurance Business as per separate Balance Sheet ..	5,33,56,819	5	11	
				Rs. 5,42,03,552 8 11

WE CERTIFY THAT—

All the Stock Exchange Securities are in Terminable Loans repayable at par on fixed dates and irrespective of the Investment Reserve Fund their aggregate book value is not only substantially below the Market Value on 31st December 1939 as ascertained from quotations supplied by the Imperial Bank of India, Bombay, but is considerably below their value at redemption.

The Values of all the Assets have been reviewed as at 31st December 1939 and in our belief the Assets set forth in the Balance Sheet are shown in the aggregate at amounts which are substantially within their realisable or market value.

No part of the Assets of the Life Insurance Fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938, relating to the application and investment of Life Insurance Funds.

The Values of Sterling Securities have been converted at 1s. 6d. to the Rupee.

E. E. ALLUM,

Manager.

BOMBAY, 15th April 1940.

E. B. GHASVALA,

Chairman

N. H. VAKEEL,

HARIDAS GOPALDAS,

H. P. DASTUR,

E. E. ALLUM,

Directors

We have audited the above Balance Sheets as at 31st December 1939 and the foregoing Revenue Accounts for the year ended on that date and we report that we have obtained all the information and explanations we have required. We certify that we have verified the cash balances and the Securities relating to the Company's loans and investments by inspection of the various documents and Bankers' Certificates, and that no part of the Assets of the Life Insurance Fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investment of Life Insurance Funds. We further report that in our opinion the said Balance Sheets and Revenue Accounts are drawn up in conformity with the Law and that such Balance Sheets exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company. In our opinion books of account have been kept by the Company as required by Section 130 of the Indian Companies' Act.

BOMBAY, 15th April 1940.

BATLIBOI & PUROHIT,

Incorporated Accountants,
Registered Accountants.

Auditors.

Classified Summary of the Assets in India of the EMPIRE OF INDIA LIFE ASSURANCE CO., LTD., on the 31st December 1939

Class of Assets.	Book Value.	Market Value.	REMARKS.
Government of India Securities ..	Rs. 58,76,807*	Rs. 1,92,56,984	Book Value subject to a deduction due to the provision of an Investment Reserve Fund.
Indian Municipal & Port Trust Securities including Debentures ..	77,33,185*	97,74,601	
Loans on the Company's Policies effected in India and within their Surrender Values ..	64,80,472	64,80,472	Realisable Value.
Land and House Property in India ..	9,19,000†	3,23,000	Chartered Architects' Valuation. † Book Value subject to a deduction due to the provision of the House Property Reserve Fund of Rs. 6,19,000.
Cash in hand and on current Account in Banks in India ..	4,13,072	4,13,072	Realisable Value.
Branch and Agency Balances and Outstanding Premiums ..	5,30,515	5,30,515	Realisable Value.
Interest, Dividends and Rents either outstanding or accrued but not due (Net) ..	3,83,256	3,83,256	Realisable Value.
Furniture, Machinery and Safes ..	74,690	81,197	Chartered Architects' Valuation.
Imperial Bank of India—Employees' Deposits ..	41,375	41,375	Realisable Value.
The Book Value of the above Assets is in the aggregate considerably within their Market or Realisable Values.			

Rs.	*5,17,92,897 2 11	*27,07,838 11 0	5,45,00,735 13 11
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Rs.	*5,17,92,897 2 11	*27,07,838 11 0	5,45,00,735 13 11
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These figures in the above account were adopted at an Extraordinary General Meeting of Shareholders held on 18th June 1940.

REVENUE ACCOUNT of the SHAREHOLDERS' FUND.

	Rs.	a.	p.
Dividend and Bonus paid "Free of Tax" to Shareholders on 13th March 1939 for the year ended 31st December 1938	87,550	0	0
Provision for Super Tax	1,591	0	0
Balance of Shareholders' Fund at the end of the year as shown in the Balance Sheet	3,22,277	3	0
	<u>Rs. 4,11,418</u>	<u>3</u>	<u>0</u>

	Rs.	a.	p.
Balance of Shareholders' Fund at the beginning of the year	3,80,604	6	8
Interest	35,397	0	0
Less—Income Tax thereon	5,602	1	8
Transfer of Guarantee Reserve for Contingencies	427	10	0
Do. do. do. Claims outstanding	379	4	0
Transfer Fees		212	0
	<u>Rs. 4,11,418</u>	<u>3</u>	<u>0</u>

Imperial Bank of India's Certificate.

Certified that this Bank held on 31st December 1939 the following Securities for Safe Custody on account of the Empire of India Life Assurance Company, Limited:—

Description of Securities.	Amount.	Description of Securities.	Amount.
3 % India Sterling Loan 1949-52 (Inscribed) ..	366,000	2½ % Government Loan 1948-52	26,50,000
3 % Do. do. do. do. (Bearer) ..	30,000	3 % Do. do. 1941	1,50,000
3½ % India Sterling Loan 1954-59 (Inscribed) ..	1,435,000	3 % Do. do. 1951-54	1,50,000
4 % Bombay Municipal Sterling Loans ..	14,900	4 % Do. do. 1960-70	1,56,25,000
6 % Bombay Port Trust Sterling Loan ..	5,000	4 % Do. do. 1943	1,00,000
5 % Calcutta Port Trust Sterling Loan ..	22,600	5 % Do. do. 1940-43	2,00,000
5½ % Do. do. do. do. ..	22,900	4 % Bombay Port Trust Loans	22,41,000
6 % Calcutta Corporation Sterling Loan ..	1,200	4 % Bombay Municipal Debentures	41,75,500
5½ % Karachi Port Trust Sterling Loan ..	21,900	4 % Calcutta Port Trust Loan	9,35,500
	<u>£ 1,919,500</u>	5 % Do. do. do. do.	22,60,000
			<u>Rs. 2,84,87,000</u>

IMPERIAL BANK OF INDIA,
BOMBAY, 2nd January 1940.

(Sd.) H. N. W. LAUGHLAND,
Registrar of Securities.

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The Life Insurance Fund including the Reserve Funds amounts to Rs. 3,20,42,500.

THE TOTAL ASSETS amount to **Rs. 5,42,03,552.**

The Directors appointed in the year under report Mr. Ernest Frederick Allum, Mr. Haridas Gopaldas and Sir Hormazdyar P. Dastur, Kt., as Directors and you are asked to confirm their appointments. They, being eligible, offer themselves for re-election.

The Directors retiring by rotation are Mr. E. B. Ghasvala and Mr. E. E. Allum who, being eligible, offer themselves for re-election.

The Auditors, Messrs. Batliboi and Purohit, Incorporated Accountants, also retire and offer themselves for re-election.

The Directors record with deep regret the death on 10th September 1939 of Mr. Rustam K. R. Cama. He joined the Board in June 1901 and was Chairman from December 1920. The Board feel that in him they have lost a personal friend as well as an esteemed and valued colleague whose experience and general knowledge of affairs were of the greatest service to the Company throughout his long connection.

The Directors further record with much regret the resignation, owing to retirement from India, of Mr. F. E. Francis and they desire to place on record their high appreciation of his valuable services during the twelve years he was a member of the Board.

The Directors recommend a dividend of Rs. 3-8 per Share which with the Bonus of Rs. 13-8 makes a total distribution of Rs. 17 per Share for the year.

The Directors recommend that a Bonus equal to one month's salary be paid to the Officers and Staff.

The Directors desire the co-operation of the Shareholders and Policyholders in pointing out to their friends the benefits of Life Assurance and the very favourable terms on which Assurances may be obtained in this Company.

EMPIRE OF INDIA LIFE BUILDING,
BOMBAY, 15th April 1940.

E. B. GHASVALA,	<i>Chairman.</i>
N. H. VAKEEL,	} <i>Directors.</i>
HARIDAS GOPALDAS,	
H. P. DASTUR,	
E. E. ALLUM,	

N.B.—The Report and Accounts are not signed by Mr. E. F. Allum as he is in Europe.

Empire of India Life Assurance Company, Limited.

HEAD OFFICE: BOMBAY.

ESTABLISHED 1897.

REPORT and ACCOUNTS submitted to Shareholders at the 43rd Annual General Meeting held on Monday, the 6th May 1940.

The Directors have pleasure in submitting their Report together with the Accounts and Balance Sheet for the year ended 31st December 1939.

NEW BUSINESS : 11,808 Proposals for **Rs. 2,11,54,382** were received and 9,274 Policies for **Rs. 1,57,65,666** Sum Assured were issued representing an Annual Premium Income of **Rs. 7,95,919** and **Rs. 34,267** by Single Payments.

The total number of Policies in force is **78,652** assuring the sum of **Rs. 14,51,47,660** including Bonus and of this amount **Rs. 5,11,665** are re-assured.

Claims by death amounting to **Rs. 12,49,733** including Bonus have arisen.

Endowment Assurances matured (during the lifetime of the Assured) for **Rs. 30,81,181** including Bonus.

The Expenses of Management were **16·6** per cent. of the Premium Income : if Commission to Agents were included the ratio would be **23** per cent.

The Reserve of **Rs. 71,300** for Commission and Expenses is now included in Sundry Creditors.

A sum of **Rs. 3,94,000** has been transferred from the Life Insurance Reserve Fund to the House Property Reserve Fund, so as to reduce the House Property to within its current market value.

The Funds of the Company are invested in Government and other Securities authorised by the Indian Trusts Act. All the Stock Exchange Securities are in Terminable Loans—repayable at par at fixed dates. The deposit of Securities with the Reserve Bank of India and the investment of the Company's Assets are in conformity with the requirements of the Insurance Act, 1938.

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BALANCE SHEET of the Life Insurance Business of the EMPIRE OF INDIA LIFE ASSURANCE COMPANY, LIMITED, on the 31st December 1939.

LIABILITIES.

	Rs.	a.	p.		Rs.	a.	p.
Life Insurance Fund	4,82,05,939	11	9				
Life Insurance Reserve Fund	1,71,658	0	0				
Investment Reserve Fund	28,06,918	0	0				
Surrender Value Reserve Fund	2,41,438	0	0				
House Property Reserve Fund	6,19,000	0	0	5,20,44,953	11	9	
Estimated Liability in respect of outstanding claims, whether due or intimated				9,43,447	0	0	
Deposits on account of premia				64,498	9	9	
Sundry Creditors (including outstanding and accruing expenses and taxes) .	2,61,545	0	5				
Employees' Deposits, per contra				42,375	0	0	

Rs. 5,33,56,819 5 11

ASSETS.

Loans on Company's Policies, within their Surrender Values	Rs.	a.	p.		Rs.	a.	p.
Investments :—					67,94,252	0	0
Deposit with the Reserve Bank of India :—							
Calcutta—Rs. 2,00,000 4% Government Loan 1960-70..	Rs.	a.	p.		1,61,000	0	0
Rangoon — „ 2,00,000 4% Do. do. ..					1,61,000	0	0
Government of India Securities :—				3,22,000	0	0	
Rs. 22,26,000 2½% Government Loan 1948-52 ..				22,04,593	0	0	
„ 1,50,000 3 % Do. do. 1941 ..				1,48,710	0	0	
„ 1,50,000 3 % Do. do. 1951-54 ..				1,43,952	0	0	
„ 1,00,000 4 % Do. do. 1943 ..				1,03,687	0	0	
„ 2,00,000 5 % Do. do. 1940-43 ..				2,02,375	0	0	
„ 1,50,35,000 4 % Do. do. 1960-70 ..				1,21,07,402	0	0	1,49,08,719
British Colonial Government Security :—							
Rs. 1,00,000 4 % Ceylon Government Inscribed Stock					88,000	0	0
Indian Municipal and Port Trust Securities :—							
Rs. 41,75,500 4 % Bombay Municipal Debentures ..				35,48,720	0	0	
£ 14,900 4 % Do. do. Sterling Loans ..				1,49,397	0	0	
£ 1,200 6 % Calcutta Corporation Sterling Loan				15,163	0	0	
Rs. 22,41,000 4 % Bombay Port Trust Loans ..				17,52,203	0	0	
£ 5,000 6 % Do. do. Sterling Loan				63,986	0	0	
Rs. 9,35,500 4 % Calcutta Port Trust Loan ..				6,24,261	0	0	
Rs. 22,60,000 5 % Do. do. Loan ..				18,08,001	0	0	
£ 22,600 5 % Do. do. Sterling Loan				2,41,006	0	0	
£ 22,900 5½% Do. do. Sterling Loan				2,93,261	0	0	
£ 21,900 5½% Karachi Port Trust Sterling Loan				2,79,343	0	0	87,75,341
Securities whereon Interest is guaranteed by the Government of India :—							
£ 396,000 3 % India Sterling Loan 1949-52 ..				50,22,311	0	0	
£ 1,435,000 3½% Do. do. 1954-59 ..				1,49,68,938	0	0	1,99,91,249
House Property in India					9,19,000	0	0
Branch and Agency Balances					2,05,578	13	9
Outstanding Premiums					3,48,000	0	0
Interest, Dividends and Rents Outstanding (Net) ..					77,286	0	0
Do. do. do. accruing but not due (Net) ..					4,08,334	0	0
Cash at Bankers on Current Account and in hand ..					4,00,188	8	2
Office Furniture, Machinery and Safes					76,496	0	0
Imperial Bank of India—Employees' Deposits, per contra ..					42,375	0	0
					Rs. <u>5,33,56,819</u>	5	11

BALANCE SHEET on the 31st December 1939.

LIABILITIES.

Shareholders' Capital—
 Authorised, Subscribed and Called-up Capital

ASSETS.

Investments :—
 Government of India

Empire of India

Life Assurance Company, Limited.

Established 1897.

Head Office :

Empire of India Life Building, Bombay.

Branch Offices :

Burma	62, Phayre St., Rangoon.
Central India and Rajputana	Kutchery Road, Ajmer.
Central Provinces and Berar	Walker Road, Nagpur City.
Ceylon	Imperial Bank Building, Prince Street, Colombo.
Deccan	6, Main Street, Poona.
Delhi Province	Chandni Chowk, Delhi.
Gujrat (South)	Bhagatalao Road, Surat.
Mysore	Kempe Gowda Road, Bangalore City.
Nizam's Dominions	Musaheb Manzil, Abid Road, Hyderabad (Deccan)
Punjab, N. W. F. P. and Baluchistan	Lakshmi Mansions, The Mall, Lahore.
Sind	Bunder Road, Karachi.
Southern India	11, First Line Beach, Madras.
West Coast	Huzur Road, Calicut.

Chief Agencies :

Bengal, Bihar and Assam.	28, Dalhousie Sq., Calcutta.
Gujrat (North)	Gandhi Road, Ahmedabad.
Sind	Kutchery Road, Hyderabad.
United Provinces of Agra and Oudh	44, Johnstonganj, Allahabad. 10, Neil Road, Lucknow.
Aden	Steamer Point, Aden.

Prospectus, Proposal forms and full information
may be obtained from any of the above Offices.

Empire of India

Life Assurance Company, Limited

Established 1897.

Head Office :

Empire of India Life Building,
BOMBAY.

43rd ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE

year ended 31st December 1939.

*The Directors desire the co-operation of
Shareholders and Policyholders in pointing out
to their friends the benefits of Life Assurance
and the very favourable terms on which
Assurances may be obtained in this Company.*

8303/39
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THE INDIAN LIFE ASSURANCE OFFICES ASSOCIATION

LAKSHMI BUILDING,
SIR PHIROZSHAH MEHTA ROAD, FORT,
BOMBAY.



24th June 1940.

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The Secretary to the Mysore Government,
Revenue & Commerce Department,
Bangalore.

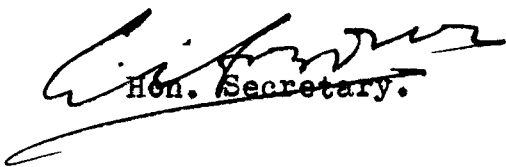
Sir,

Subject: Exemption of Life Insurance Companies
doing business in Mysore Territories
from the operation of the Mysore Money-
Lenders Act.

I am directed by my Committee to refer to our Representation
addressed to your Government on the above noted subject on 22nd Feb.
1940 and shall thank you to let us know whether the Life Insurance
Companies are exempted from the operation of the Mysore Moneylenders
Act.

Awaiting an early reply,

Yours faithfully,


Hon. Secretary.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P8046

Letter 37-39-17

General and Revenue Secretariat,

Dated Bangalore 29th June 1940¹⁹³ ~~xxx~~

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act, 1939, The Government of His Highness the Maharaja of Mysore are pleased to exempt all Insurance Companies carrying on business in Mysore and duly registered under the Mysore Insurance Act, 1939 from the provisions of the said Mysore Moneylenders Act, 1939, except the provisions of Sections 14 ^{to} ~~and~~ 17 (both inclusive) thereof.

By Order,

M. K. Varadarajulu
Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication.

Aga/10.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No.P. 8046-Legis.37-39-17.

General and Revenue Secretariat,

Dated Bangalore, ~~29th June~~ 1940.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to exempt all Insurance Companies carrying on business in Mysore and duly registered under the Mysore Insurance Act, 1939, from the provisions of the Said Mysore Moneylenders Act, 1939, except the provisions of sections 14 to 17 (both inclusive) thereof.

By Order,

sd/ H.V.Narayana Rao.

Secretary to Government,
Law Department.

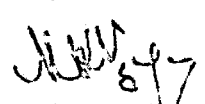
Memo No.P 115-69 dated Bangalore the 5th July 1940.

Copy of the above is forwarded with compliments to

with reference to his letter No.

Dated.

By Order.


For Secretary to Government,
Law Department.